GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:2212
ANSWERED ON:08.08.2005
AUTONOMY FOR FORWARD MARKET COMMISSION
Owaisi Shri Asaduddin;Yadav Shri Sita Ram

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government proposes to amend the Forward Contract (Regulation) Act, 1952 to strengthen and provide autonomy to Forward Market Commission;

(b) if so, the salient features and objectives thereof;

(c) the extent to which these amendments are likely to help standradisation gradation and warehousing in the country with respect to food sector; and

(d) by when the amending bill in this regard is proposed to be introduced?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI TASLIMUDDIN)

(a): Yes Sir,.

(b): The salient features of the proposed amendments are (i) up-dation of existing definitions and insertion of some new definitions: (ii) changes in provisions relating to composition and functioning of Forward Markets Commission (FMC) on the lines of Securities and Exchange Board of India (SEBI); (iii) enhancement of the powers of the FMC; (iv) corporatisation and demutualisation of the existing exchanges and setting up of a separate Clearing Corporation; (v) registration of intermediaries; (vi) enhancement of penal provisions in the Forward Contracts (Regulation) Act, 1952{FC(R) Act} (vii) establishment of Forward Markets Appellate Tribunal on the line of Securities Appellate Tribunal (SAT) and (viii) permitting trading in options in goods. The objective of these amendments is to strengthen and provide autonomy to Forward Markets Commission.

(c) : Proposed amendments do not have provisions relating to standardization, gradation and warehousing. Which do not fall within the purview of FC(R) Act, 1952.

(d) : It is proposed to introduce the Bill in the Parliament soon after the Cabinet approves the proposal.